

Message Text

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ORIGIN NEA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 COME-00 EB-07 FRB-01 TRSE-00 XMB-02

OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 AGR-05 FEA-01

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FM SECSTATE WASHDC

TO AMEMBASSY TUNIS

C O N F I D E N T I A L STATE 012521

E.O. 11652: GDS

TAGS: USTSJC, EAID, PFOR

SUBJECT: U.S.-TUNISIAN ECONOMIC RELATIONS

REF: TUNIS 0061

1. TUNISIAN MINISTER OF PLAN AYARI MET WITH ASSISTANT SECRETARY ATHERTON JANUARY 15 AND MADE PLUG FOR MORE ECONOMIC ASSISTANCE. (NON-ECONOMIC SUBJECTS REPORTED SEPTEL.)

2. AYARI BEGAN BY SAYING THAT MEETINGS OF HIS INVESTMENT MISSION WITH BANKERS AND BUSINESSMEN IN NEW YORK AND WITH OPIC AND EXIM IN WASHINGTON HAD GONE WELL. PEOPLE WERE RESPONSIVE, SOME OF THEM SURPRISINGLY SO, AND TONE WAS BUSINESSLIKE. ATHERTON SAID HE HAD FOLLOWED PREPARATIONS FOR MISSION WITH GREAT INTEREST.

3. AYARI SAID THAT EARLIER IN DAY HE HAD TALKED TO
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TREASURY UNDER SECRETARY PARSKY ABOUT DECLINE IN AID

LEVELS, MATTER WHICH GOT VIEWS WITH SOME DISTRESS. GOT WAS APPRECIATIVE OF U.S. ASSISTANCE IN LATE FIFTIES AND EARLY SIXTIES AT TIME WHEN FRENCH WERE PULLING OUT THEIR AID. FOR LAST SIX-SEVEN YEARS, HOWEVER, GOT HAD WATCHED OVERALL ASSISTANCE PACKAGE GOING TO LOW LEVEL. IN FY 75, HE SAID, TOTAL AMOUNT WOULD ONLY BE ABOUT

3 MILLION DOLS. AYARI SAID HE INTENDED TO MAKE PROPOSALS TO ACTING AID ADMINISTRATOR MURPHY FOR NEW ASSISTANCE DEPARTURES AND HE ALSO EXPECTED THAT JOINT COMMISSION WOULD PLAY A ROLE IN SUCH A REAPPRAISAL. AYARI NOTED THAT TUNISIA IS PAYING A LOT FOR FOOD IMPORTS AND STATED THAT A PL-480, TITLE I PROGRAM, ESPECIALLY FOR SOYBEAN OIL, WOULD BE HELPFUL. IN FIVE YEARS TIME, SAID AYARI, TUNISIA WOULD BE ABLE TO STAND ON ITS OWN FEET, BUT UNTIL THEN IT WILL CONTINUE TO NEED AID.

4. ATHERTON OUTLINED THE USG CONCEPT OF AID, WHEREIN THE GOAL IS TO PHASE OUT AS A COUNTRY BECOMES STRONGER, ESPECIALLY IN REGARD TO ITS FOREIGN EXCHANGE CAPACITY. IN THE PROCESS WE ENVISAGE SHIFTING TO TRADE AND INVESTMENT TO MAINTAIN CAPITAL TRANSFERS. THE PATTERN OF DECREASING AID LEVELS, ADDED ATHERTON, IS A WORLDWIDE PHENOMENON, INCLUDING CASES WHERE THERE HAS BEEN NO COMPENSATING U.S. PRIVATE INVESTMENT. ATHERTON CITED THE INDIAN EXAMPLE. CONGRESS, SAID ATHERTON, TAKES A HARD LOOK AT A COUNTRY'S EARNING POWER, AND TUNISIA'S HAD OBVIOUSLY IMPROVED. IT VERY DIFFICULT IN SUCH INSTANCES TO MAKE A CASE FOR A LARGE PROGRAM. WHILE WE ARE HAPPY TO EXAMINE THE POSSIBILITIES, SAID ATHERTON, HE WOULD NOT WANT TO GIVE AYARI CAUSE FOR OPTIMISM.

5. SOME COUNTRIES, REPLIED AYARI, ARE HOPELESS AND INDIA IS A CASE IN POINT. OTHERS, LIKE TUNISIA, WILL MAKE IT WITH JUST A LITTLE HELP. PRESIDENT BOURGUIBA, HE SAID, WILL PUSH THIS ISSUE VERY HARD WHEN HE COMES TO WASHINGTON.

6. TUNISIAN AMBASSADOR HEDDA ASKED WHETHER WE HAVE A DATE IN MIND FOR THE FIRST MEETING OF A U.S.-TUNISIAN

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JOINT COMMISSION. ATHERTON NOTED THAT AMBASSADOR SEELYE DISCUSSED OUR SUGGESTIONS ON THE STRUCTURE AND SCOPE OF A JOINT COMMISSION WITH TUNISIAN OFFICIALS. IT HAD BEEN OUR INITIAL THOUGHT THAT BOTH PARTIES WOULD FOCUS THEIR ATTENTION ON TRADE AND INVESTMENT IN ORDER TO SUPPLEMENT PRIVATE EFFORTS IN THIS FIELD. AYARI INTERRUPTED TO SAY THAT HE AGREED WITH THIS EMPHASIS. THE REACTION OF OFFICIALS IN TUNIS, CONTINUED ATHERTON,

HAD SHOWN A PREFERENCE FOR A MORE BROADLY STRUCTURED
COMMISSION. WE ARE LOOKING AT THE MATTER AGAIN IN
THIS LIGHT. OUR EXPERIENCE WITH OTHER JOINT COMMISSIONS
IS THAT IT IS NECESSARY TO LAY CAREFUL GROUNDWORK BEFORE
HOLDING A MEETING. AYARI EXPRESSED HIS AGREEMENT. KISSINGER

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